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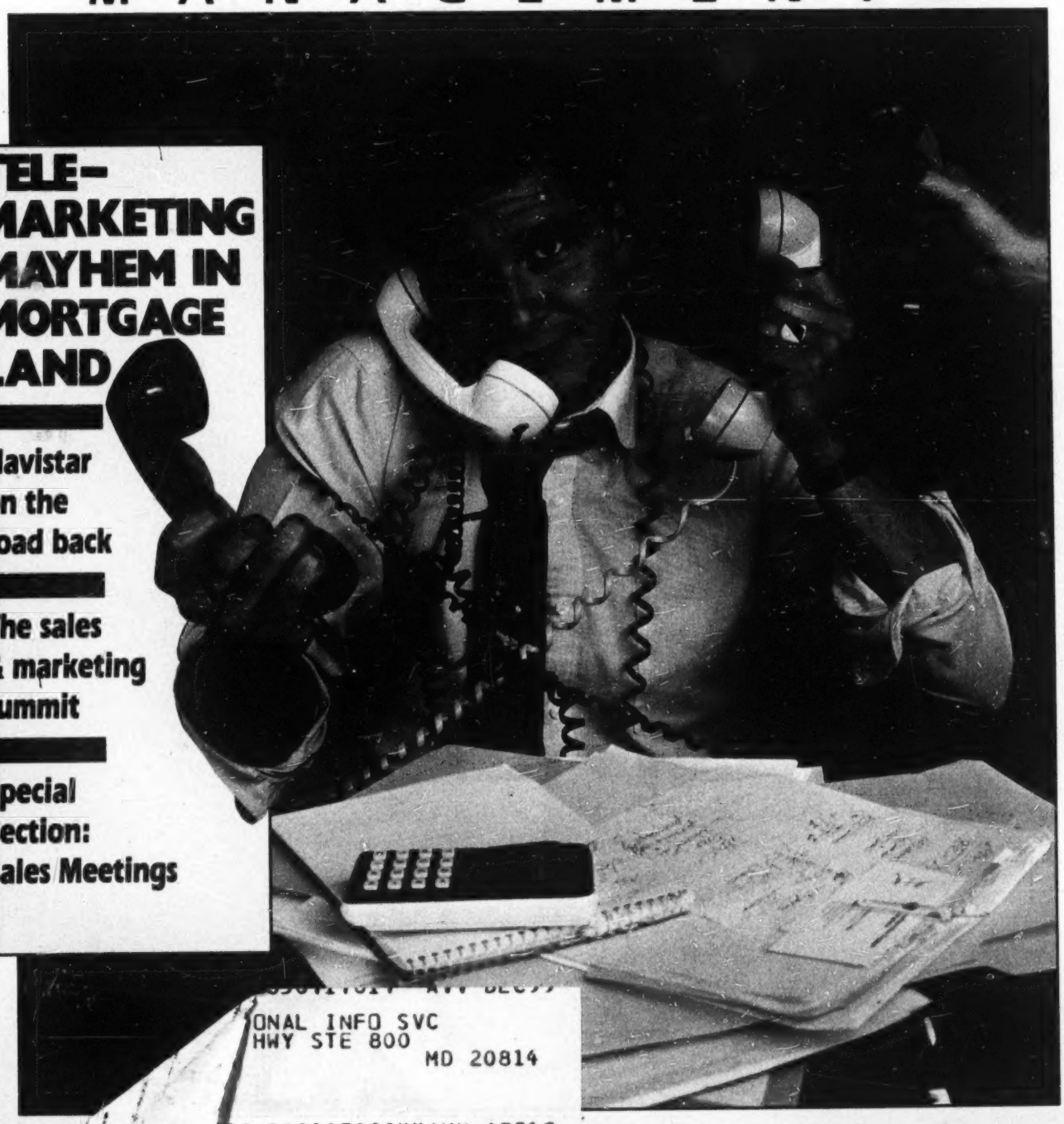

TELE-MARKETING MAYHEM IN MORTGAGE LAND

Navistar on the road back

The sales & marketing summit

Special Section: Sales Meetings

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Sales and Marketing
MANAGEMENT

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In their haste to accommodate huge numbers of home-mortgage applicants, the nation's banks are showing themselves to be unprepared as telemarketers. See page 46.
Cover design by Altemus
Photo by Diana Kassir

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Women: Can't live with 'em . . .

You have no doubt heard the ancient adage above, but the truth is that, today, a lot of them just don't feel it's necessary—to live with someone, that is. At least that's part of the picture painted by two recent studies on the American woman that have been receiving a lot of media attention lately. One, an as-yet-unreleased report by a combination of Yale sociologists and Harvard economists, has already been the subject of both a *Newsweek* special report and a recent *Phil Donahue* show.

So what's the big deal? Well, it seems that all those career-oriented women who have been making great strides in business have just been given the word that once they've reached age 35, white, college-educated women have only a 5% chance of marrying. The odds decrease to just 2.6% by age 40.

Needless to say, this is not the kind of thing that daughters need to have their mothers find out about. By the reckoning of most post-war moms, anyone past the age of 25 is already in big trouble in the marriage sweepstakes. The authors of the report are quick to point out, however, that "there is no certainty" that any of their findings will carry through into any long-term statistical trends. Still, the alarm bells have been sounded, and it seems that any women wishing to be cast adrift on the seas of matrimony should report to the lifeboats immediately.

As for those who have already reached or passed the dreaded milestone of 35, most of them haven't reacted too badly to the news. In fact, the continued surge in the number of single-person households, coupled with declining marriage rates, indicates that many women are still choosing career over marriage, something we have known for quite some time now. Once again, it's the statistical perspective that makes this report such a hot topic with today's working woman. In this situation, what it really boils down to is a question of availability rather than choice.

The huge numbers of women currently at the typical age of marriage are a result of an aging baby-boom generation that has simply overloaded the system, creating a "marriage squeeze." This is complicated by the fact that, historically, women have elected to marry men slightly older than themselves, and those men just aren't out there in the marriage marketplace. The solution? An increasing number of women have begun to look to younger men for partnership, or have decided not to look at all.

The generation gap

A second report, prepared by the Battelle Human Affairs Research Center, Seattle, for *Cosmopolitan* magazine, addresses the changes in the lifestyles of American women as they relate to previous generations. From these findings, Cosmo has ascertained that today's woman has a lot more in common with her grandmother than she does with good old mom, especially in the areas of marriage and childbearing. The data show that, for the first 40 years of this century, more than 40% of all women aged 20–24, 25% of women aged 25–29, and 15% of women aged 30–34 were unmarried, numbers roughly equivalent to today's figures. It was only during the next 40 years—the baby-boom years—that women's marital patterns changed so drastically.

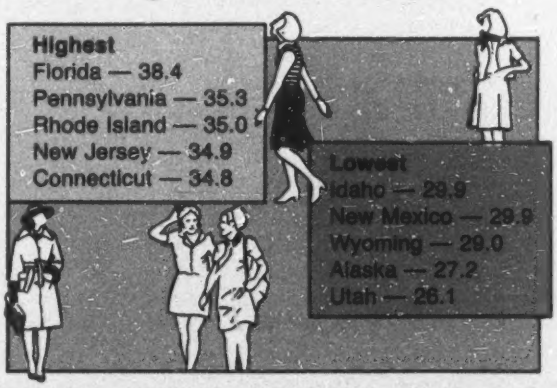
The same holds true for figures showing women's median age at the time of first childbirth. The historical trendline hovers around age 23 between 1880 and 1900, at which point it then rises sharply for roughly 20 years. During the 1920s, rates began a steady decline, reaching an all-time low of 21.5 years in the early 1930s. Median age figures then remained below age 22 until about 1950, at which point they begin to rise once more. Here again, it is the mothers of today's women who went against the historical trend, pushing fertility rates skyward between 1938 and 1958, the only such major fluctuation in the last 200 years.

So take heart, all ye women reaching the age of decision. If the dinner table discussion turns to questions of men and matrimony, just tell your mother that you're simply following your historical destiny. Then ask her why she felt it was necessary to create statistical havoc by getting married and having children at such a young age.

By Richard Kern
Editorial Director, S&MM Surveys

As seen by the Survey

The high and the low: Women's median age in selected states



Source: Sales and Marketing Management's *1985 Survey of Buying Power Data Service.*
*Sales and Marketing Management.

Kahn, founder and president of three-year-old Borland International, Scotts Valley, CA, unveiled his first product, Turbo Pascal, at the unheard-of price of $49.95, he placed a small ad in *Byte* magazine. The price attracted $150,000 in orders the first month, sales vice president Spencer Leyton recalls. "At the time, the projected market for Pascal, a sophisticated computer language, was 25,000 units. We've sold over 500,000." A year later, Kahn did even better with SideKick, a $49.95 desk organizer, that has sold more than 1 million copies, says a company source.

Equal share

Although low prices spread Borland's name fast, "it was the product quality that kept sales soaring," says Tim Berry, a former member of the board of directors and now president of his own software outfit, Infoplan. Industry observers estimate Borland's sales have rocketed from $10 million in 1984 to $24 million in 1985 to a projected $50 million this year.

Leyton figures 15% of revenues come from telemarketing, an equal share from direct sales to corporations and educational institutions, the rest from distributors and dealers. To fatten the corporate share, he recently introduced a volume purchase plan, offering discounts of 35%–55% to buyers who commit themselves to purchases of from $500 to $75,000.

Last month, he began advertising in local newspapers around the country for salespeople to supplement the two he has in the field. He hopes to hire at least 15 by year-end and, unlike most in the industry, is not concentrating on those with computer experience. "We look for people who know how to sell and have smarts," he says. "We'll teach them what they have to know in order to sell the product and let others handle the technical questions."

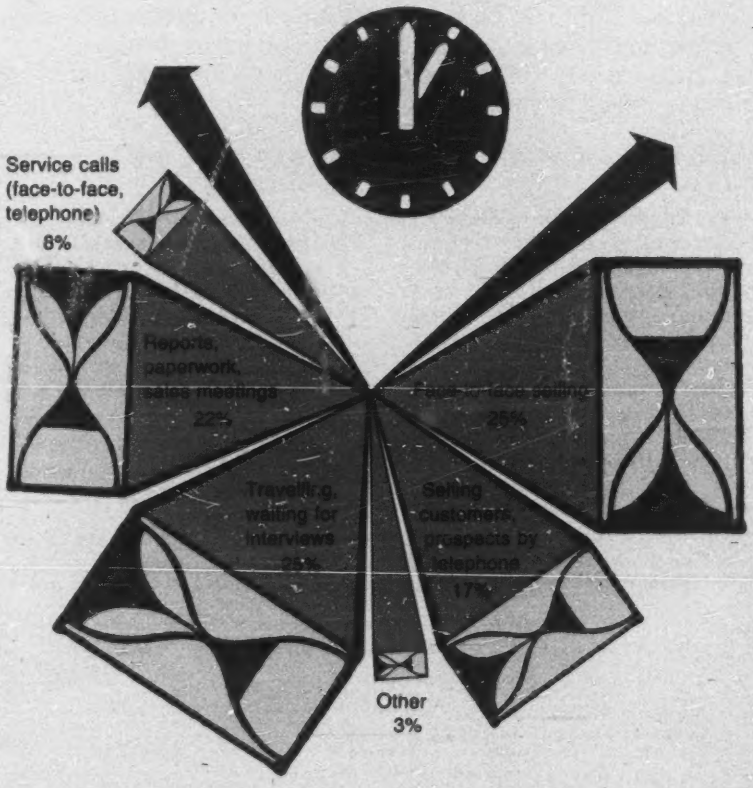
He doesn't think Borland's low

Sales management highlight

Are salespeople gaining more selling time?

The increased use of telephone selling in order to curb the rising costs of personal selling is underscored in McGraw-Hill's new survey on how salespeople spend their time. A report issued by the company's Laboratory for Advertising Performance last month shows the average industrial salesperson spends 25% of his time in face-to-face selling, 17% selling customers and prospects by phone. A previous survey done in 1977 that reported 39% of the salesperson's time was taken up in face-to-face selling did not include a breakout for telephone contact because of its lesser importance. However, a comparison of other categories suggests that salespeople are gaining more selling time. Travelling and waiting for interviews decreased from 32% of total time in 1977 to 25% currently, and time spent on reports, paperwork, and meetings slipped from 24% to 22%.

9 to 5: how salespeople spend their day


Service calls (face-to-face, telephone) 8%
Reports, paperwork, sales meetings 22%
Face-to-face selling 25%
Traveling, waiting for interviews 25%
Selling customers, prospects by telephone 17%
Other 3%

Source: McGraw-Hill, Laboratory for Advertising Performance, *How Salespeople Spend Their Time:* LAP #7023.2.
*Sales and Marketing Management.

The food industry's hi-tech

Food marketers and brokers work out their problems using a computer database and set the stage for a new era in sales-agent relations.

By THAYER C. TAYLOR
Senior Editor/Management Sciences

When Nabisco Brands, the Parsippany, NJ, subsidiary of RJR Nabisco, combined its Planters and Margarine divisions to form the Grocery Broker Operation, a $1 billion-plus revenue producer, staffing decisions were influenced by an outside computer database. "What our 65 brokers had told the database about the style and performance of the contact managers of the two divisions helped us evaluate who to keep and who to let go," says Robert P. Magrann, staff vice president of sales.

The same database triggered James River-Dixie/Marathon, Richmond, VA, to add several district managers to its field selling operation. "Our 78 brokers told the database they didn't think we were allocating enough time to their needs," says William Stanley, sales director of the Dixie Products Group.

Computerized databases are not new, but grocery products marketers are giving the idea an unusual twist that can serve as a model for other industries seeking to harmonize and strengthen relations between marketers and the sales intermediaries they use—brokers, distributors, manufacturers' reps—to reach end-users. In this case, the marketers participate in the database to learn what food brokers think of their strategies, policies, and sales personnel, and what areas of broker management need improvements.

Started two years ago by the Northeastern Organization, a Trumbull, CT, management consultant, the database is built upon responses to questionnaires sent to food brokers currently representing 16 grocery product marketers (called principals in the trade) who, at $20,000 apiece, fund the project, called NeoProbe (Northeastern Organization's Principal Review of Broker Evaluation). To date, 86% of almost 900 questionnaires have been returned, says Northeastern president James H. Huguet, who eventually hopes to have 80-100 principals in the project.

Benefits that marketers gain from the project fall into two main classes, says David W. Cole, a consultant with Neo Research, a sister company created by Huguet to handle the database. Using NeoProbe, a principal can learn how his company stacks up against all-industry norms and also pinpoint areas that need improvement.

"If I get a rating of 'very good' from my own survey of brokers, I can't relate it to anything," point out James M. Burt, senior vice president of sales and marketing, California & Hawaiian Sugar, San Francisco. "Now, I relate it to the database's average and know whether it's exceptional or standard." Comparative ratings are important, Huguet adds, because "even if their products don't compete directly, principals are competing for the broker's time. To the extent a principal gets a broker more committed to his product, the more he gets for his money."

Tim Haas, senior vice president of sales, Coca-Cola Foods, Houston, views the database's findings as "a road map for us to take action where brokers perceive we can do better. As we deal in an environment of increasing consolidation among retailers, brokers, and manufacturers, it's important for us to have brokers view us as a preferred principal."

The questionnaire's two-part format is designed to provide input to the database as well as highlight areas of concern special to each principal. The first part, the database source, measures broker attitudes in nine areas: perception of the principal, strategy and objec-

How broker account executives view sales manager's visits

How do you feel our managers allocate their time?	Entirely Too Much	Too Much	About Right	Too Little	Entirely Too Little
Time spent in your office	1.8%	10.7%	77.9%	8.4%	1.2%
Time spent planning with you	0.7	2.8	74.8	18.3	3.4
Frequency of market visits	4.0	13.0	70.2	11.2	1.6
Time spent at retail	0.5	4.4	68.5	22.8	3.8
Time spent making headquarter calls	0.3	3.4	65.2	25.4	5.7
Time spent conducting retail meetings	0.1	0.9	55.8	33.4	9.8

Source: Northeastern Organization, *NeoProbe*.
*Sales and Marketing Management.

Although brokers generally feel company sales managers spend an adequate amount of time calling on them, they don't feel the time is maximized fully. More than two out of five feel not enough time is devoted to conducting retail meetings, and almost one-third want more headquarter calls.

marriage counselor

tives, manager performance, staffing, training and development, manager time allocation, communication, commissions, and marketing and promotion. The second part comprises open-end questions inserted by the principal to elicit information on areas he considers vital.

So far, participating marketers have not been shy in making changes after digesting NeoProbe's findings. In addition to the post-NeoProbe actions taken by Nabisco and James River, Coca-Cola Foods instituted a three-pronged commission plan, SCM Durkee Famous Foods started a new sales manager training program, and Star-Kist Foods was motivated to put a new sales plan into action.

Overall findings from NeoProbe touch on eight areas where brokers feel improvement is needed, says Huguet and Cole:

1. Develop better ways to market, especially through communicating a clear and consistent strategy and building market goals that are realistic, reflect the local market's potential, and benefit from broker input.

2. Fair and adequate commission plans.

3. Better communication of objectives, strategies, tactics, and product benefits at all levels within the brokerage: president, account executive, and retail sales manager.

4. Create skills profiles of the best sales managers and use them as the basis for new hires.

5. Execute ongoing training programs to build management skills.

6. Maintain broker coverage on an ongoing basis, emphasizing the proper frequency and coverage quality.

7. Create a partnership environment, where the principal is the expert on the line and product, the broker the expert on the local market.

8. Develop marketing programs that meet local market needs, with broker input on effective selling materials, adequate lead time on promotions, sufficient trade development funds, and effective consumer promotions.

Significantly, each level of broker management has its own ideas on where relations need the most improvement. More than a third of the presidents, 37%, feel principal's goals do not reflect market potential, mostly because, 44% say, they are created without broker input.

Account executives give their lowest ratings to marketing and promotion activities. Some 40% say that trade development funds are inadequate, 43% that not enough time is devoted to retail meetings, and 33% that creative sales presentations are not developed.

Adequate training

Much of this concerns stems from lack of communication. "In order to understand each other's short- and long-term needs," says Michael Sulach, president, Calkins & Co., Chicago brokerage, "there has to be more top management-to-top management dialogue to build stronger links."

Training is the big concern of retail sales managers. More than three out of five, 64%, say new retail salespeople don't get any help on how to sell and merchandise, and some 35% feel their sales forces do not receive adequate training on how to sell and merchandise new products.

Training of broker sales personnel is a prickly issue—one that is not likely to be resolved soon. Stating the broker's case, Frederick M. Alper, president of Morris Alper & Sons, Framingham, MA, reasons that "National brand marketers have greater training resources, both financially and professionally, than brokers who, for the most part,

How food broker management perceive their principals

Perception of:	President	Account Executive	Retail Sales Manager
Company	80	79	77
Strategy/objectives	72	70	77
Manager performance	74	75	72
Staffing	70	70	N.I.
Training/development	77	78	67
Commission plan	74	74	N.I.
Communications	N.I.	72	72
Marketing/promotion	N.I.	68	73

N.I. Not included in questionnaire.
Note: Scores based on 25 for "strongly disagree," 50 for "disagree," 75 for "agree," and 100 for "strongly agree."

Grocery products marketers are favorably perceived by food brokers, but retail sales managers want more help on training and development and account executives feel that marketing and promotion programs can be improved.

are independent businesses in local markets. We'd like to see them share that training capability with brokers."

At least one broker would like to see better training of salespeople who call on him. "To some extent, when a principal hires a salesperson from another company," says chairman Frank Bosworth Jr., R. L. Fitzwater & Son, Pennsauken, NJ, "he is put in the field without much understanding of his capabilities. As a result, we end up training him."

The training issue is a complex one for principals. "There are two training areas involved," says Allyn Ayotte, sales vice president, Star-Kist Foods, Terminal Island, CA. "First, there is product knowledge, where the principal teaches the broker about the product, the marketing plan behind it, and its market target. Second, the broad-scale training that reinforces a broker's expertise. There can't be one focussed approach to this type because each manufacturer has his own axe to grind, and the broker would get bits and pieces from different directions."

If the training issue defies resolution, that's not stopping marketers from addressing other areas of broker concern. The catalyst, says Nabisco Brands' Robert P. Magrann, staff vice president of sales, "is the need to do those things that move our business forward in partnership with brokers."

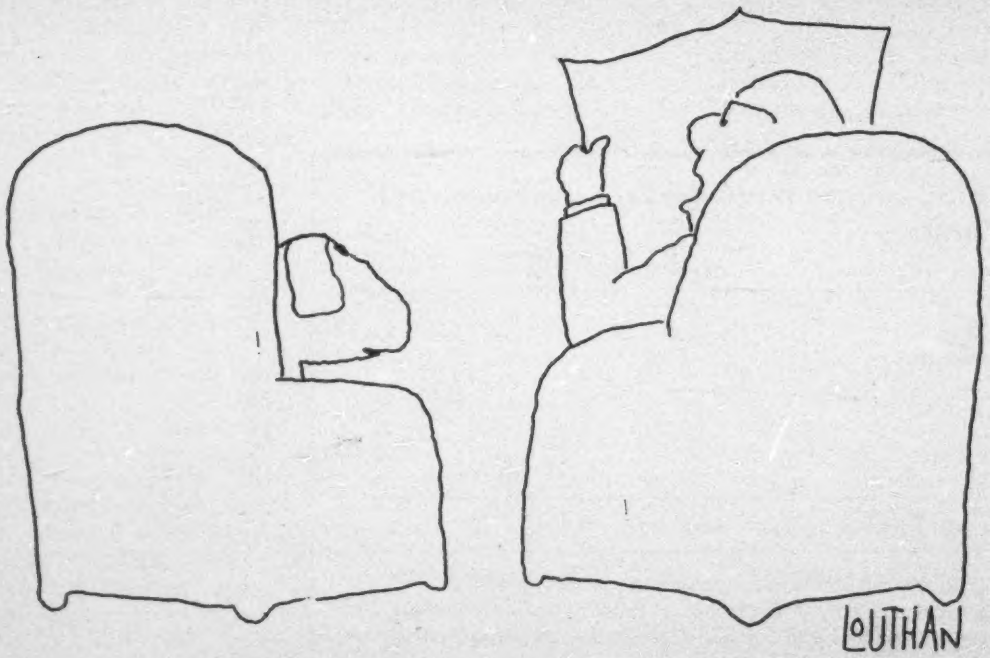
James River is developing a computerized retail shelf allocation program brokers can use for submitting planograms to retailers on the display of Dixie cups and plates. "Direct product profit is the buzzword among retailers today and that means we must give brokers more sophisticated tools," says sales director William Stanley.

Coca-Cola Foods is attacking each specific area where its 65 brokers suggested improvements, says senior vice president of sales Tim Haas. One example: A three-pronged compensation plan that gives brokers commissions for the frozen and chilled products they handle, incentives for meeting certain performance goals, and special payments for new product introductions.

At SCM Durkee Famous Foods, Joliet, IL, which uses 80 brokers, the emphasis is on training programs that "make our people understand the brokerage business better," says John Lowrie, vice president of sales and marketing. "We're adding new training courses on advanced broker management that will run for three days and teach our top salespeople how to manage brokers more effectively."

Standardized order forms are one of several refinements made by Star-Kist Foods "to make things easier for brokers," says Ayotte. He also prepared a White Paper "that gives brokers clear directions on what they can expect from us and what we expect from them," he adds. "The idea is to cement in the minds of our people that we are a team, that broker success is their success, and vice versa."

Encouraged by the high rate of broker response, and the follow-up actions taken by principals, Huguet and Cole are readying a second NeoProbe. This one will give principals the opportunity to rate their brokers and allow brokers to put even more pointed questions to their principals. SMM



"You might be interested to know that pork bellies took quite a dip."

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Xerox account managers get PCs in their homes

Some 1,000-plus national account and major account managers of Xerox's Business Systems Group, Rochester, NY, now have PCs in their homes as the company moves ahead with a dramatic revamping of its sales organization (see S&MM July 1, 1985). A PC that Olivetti customizes for Xerox is being used.

"The 'hot line' information that used to take 1 week to 10 days to get to salespeople in the field through the mail is now available to them as soon as it's put into the system," says David R. Myerscough, senior vice president of marketing and planning. Such information includes "moves by the competition, new applications customers devise with our machines, product updates, price changes, and any new data we come across about their territories that could help them in their planning."

Myerscough urges management to work at their own pace at home.

The managers use the PCs to prepare all of their proposals and system productivity analyses, plug into the several databases Xerox maintains, and carry out much of their sales training. "About a third of our selling and product training programs are geared so that the managers can do it at their own pace on the PCs in their homes," says Myerscough.

In another move to make its sales force the most computer-sophisticated one in the office automation industry, Xerox has outfitted salespeople in two branches with handheld terminals that are used to send in orders directly from customer sites. "The experiment's aim," a company spokesperson says, "is to eliminate the manual efforts that sometimes produce errors."

Not everyone singing the computer blues

Widespread talk about a continuing computer industry slump that began last year overlooks the fact that certain sectors enjoyed healthy gains last year. As the 1986 edition of the Gartner Group's *Top 100 Data Processing Almanac* reveals, computer service, equipment maintenance, end-user peripherals, and data communications hardware posted double-digit gains. The top 100 data processing firms, analyst Ross Crad says, account for 95% of industry revenues and did $114.6 billion worth of business in 1985, an increase of about 8% over the previous year.

Computer Industry in 1985

Product Segment	1985 revenues ($ Mil.)	% Change vs. 1984
		+ 5.4
		+12.3
	11,862	+11.2
	9,966	+ 3.3
	8,786	+16.8
peripherals	6,414	+ 5.0
Data communications	4,066	+10.9
CAD/CAM/CAE	2,414	+ 8.7
Word processing	1,315	−26.5

Source: Gartner Group, *Top 100 Data Processing Almanac.*
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With more to sell, U-Haul turns to PCs

Now that it offers a much bigger bag of services, U-Haul International, Phoenix, is placing 4,000 desktop PCs in 1,200 retail rental sites in the U.S. and Canada to help control expanded operations. The company recently broadened its truck and trailer rentals by adding motor homes, travel trailers, home maintenance and entertainment products, auto transports, and tow dollies.

"We're automating our rental offices to handle reservations better," says Lawson Roberts, chief administrator and director, "move the customer in the store faster, provide him with more accurate informaion, and reduce our paperwork." The computers (Burroughs B27 workstations), part of a $10 million contract, are currently being installed in the Dallas/Fort Worth market, with Los Angeles and San Diego the next targeted areas. Roberts says he hopes to have all of the installations completed by December 1987.

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Marketers, techies, unite!

"Competing more effectively through the use of information technology" has become a standard nostrum on the lecture circuit. However, as was noted at the Conference Board's recent 4th Annual Conference on Information Management, the ideal is far from actuality.

Although one of the three most popular justifications for investing in information technology is that it "improves our ability to compete in the marketplace through better products, interlocking arrangements with customers, exploitation of new market opportunities, and improvements in internal performance," says John J. Connell, executive director, Office Technology Research Group, "the gap between the marketer and the technology specialist is a yawning chasm."

"The way to bridge the gap," he says, "is to make the use of machines a normal operating activity in the office. When that happens, marketers will become comfortable with technology and be able to communicate with technologists." Compared to the other two major investment justifications—streamlining processes and exploitating alternatives to human communications—Connell said improving the ability to compete "offers the greatest potential return to the enterprise in terms of concrete, bottom-line gains."

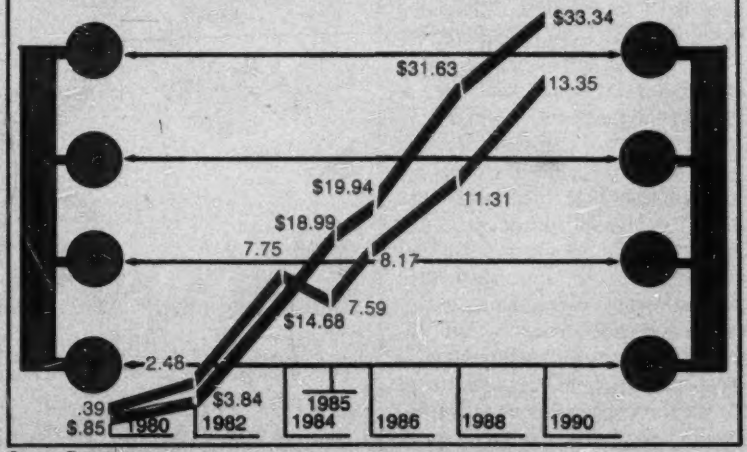
The growing trend of direct computer-to-computer links between marketers and suppliers has an upside and a downside, warned John M. Thompson, vice chairman, Index. "The good news is, once you have information about your organization tucked away in your suppli-

COMPUTER HIGHLIGHT

PC's roller-coaster decade

Most industries would be more than happy with an annual 15% growth rate, but for PC marketers it's a cruel comedown. New projections by Dataquest, a San Jose research firm, indicate that, in the last half of the 1980s, shipments and revenues of desktop PCs in the U.S. market will rise 76% apiece. That's a bleak contrast to the decade's first-half, when shipments soared 1,846% and revenues 2,134%. This year, shipments are expected to reverse 1985's 2.1% falloff and rise 7.6% as revenue gains slow from last year's 29.4% runup to a modest 5.0% this year, reflecting the invasion of low-priced IBM clones.

Desktop PC shipments, revenues in U.S.



Source: Dataquest.
*Sales and Marketing Management.